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**TOWN OF PICKENS, MISSISSIPPI
FINANCIAL STATEMENTS
SEPTEMBER 30, 2004**

**TOWN OF PICKENS, MISSISSIPPI
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SEPTEMBER 30, 2004**

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Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
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Members:
American Institute of CPAs
Mississippi Society of CPAs

To the Mayor and the Board of aldermen
Town of Pickens, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Pickens, Mississippi, as of September 30, 2004, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

TOWN OF PICKENS SCHEDULE OF BANK BALANCES FOR YEAR ENDING SEPTEMBER 30, 2004

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
BankPlus	General	\$ 60,597
BankPlus	General/Fire	13,753
BankPlus	Trust/Unemployment	2,799
BankPlus	Dept of Housing & Rural Dev.	2,850
BankPlus	Payroll Clearing	0
BankPlus	Clearing	<u>2,000</u>
Total General Fund		\$ <u><u>81,999</u></u>
BankPlus	Water/Sewer	\$ 74,164
BankPlus	Water/Sewer Deposits	<u>18,820</u>
Total Water/Sewer		\$ <u><u>92,984</u></u>

2. We confirmed with the bank the certificates of deposit owned by the Town. All investment transactions were in compliance with Section 21-33-323, Miss. Code Ann. (1972).

TOWN OF PICKENS
SCHEDULE OF CERTIFICATES OF DEPOSIT
FYE 9-30-04

<u>Certificates of Deposit</u>	<u>Fund</u>	<u>Certificate Number</u>	<u>Principal (Cost)</u>
BankPlus	General	505224	\$ 12,000.00
BankPlus	General	508102	5,500.00
BankPlus	General	508996	5,300.00
BankPlus	General	506071	10,000.00
BankPlus	General	505289	93,322.59
BankPlus	General	509660	29,051.69
BankPlus	General	506960	15,000.00
BankPlus	General	501864	5,000.00
BankPlus	General	506381	10,000.00
BankPlus	Water/Sewer	511159	30,000.00
BankPlus	Water/Sewer	501455	25,000.00
BankPlus	Water/Sewer	505226	15,000.00
BankPlus	Water/Sewer	506961	20,000.00
BankPlus	Water/Sewer	501642	25,000.00
BankPlus	Water/Sewer	501644	25,000.00
BankPlus	Water/Sewer	501865	15,000.00
BankPlus	Water/Sewer	513550	11,620.10
			<u>\$ 351,794.38</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Verified use of certified county assessment rolls and traced levies to governing body minutes.
 - Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - Analyzed increase in taxes for most recent period for comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the Department of Finance and Administration and by the Mississippi Development Authority to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

TOWN OF PICKENS
PAYMENTS MADE BY THE DEPT OF FINANCE & ADMINISTRATION
FYE 9-30-04

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 690.63
Nuclear Plant-Payments in Lieu	General	27,013.15
Sales Tax Allocation	General	95,552.72
Liquor Privilege Tax	General	900.00
Gasoline Tax	General	3,643.44
Homestead Exemption Reimbursement	General	5,996.63
Public Safety Grant Fund	General	2,420.00
CDBG - Water Well Project	Capital Projects	210,441.00
		<u>346,657.57</u>

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	25
Total Dollar Value of Sample	\$ 20,223.

We found the municipality's purchasing procedures to be in agreement with the requirements of the abovementioned sections.

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements. (The completed survey indicated no instances of noncompliance with state requirements.)

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Pickens, Mississippi, for the year ended September 30, 2004.

Windham & Lacey, PLLC
November 20, 2004

Windham and Lacey, PLLC

Certified Public Accountants

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Pearl, MS 39208
(601)939-8676

Members:
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To the Mayor and the Board of Aldermen
Town of Pickens, Mississippi

Accountant's Compilation Report

We have compiled the accompanying combined statement of cash receipts and disbursements of Town of Pickens, Mississippi as of September 30, 2004, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Windham and Lacey, PLLC
November 20, 2004

TOWN OF PICKENS, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS
 AND DISBURSEMENTS (ALL FUNDS)
 FOR FISCAL YEAR ENDED SEPTEMBER 30, 2004

	Governmental Fund Type General Fund	Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
					2004	2003
REVENUE RECEIPTS						
General Property Taxes	\$ 130,281				130,281	120,594
License and Permits	23,014				23,014	23,708
Intergovernmental Revenues:						
Federal:						
Community Development Grant - Home Project	0				0	96,088
Community Development Grant - Water Well Project	0	210,441			210,441	98,852
General Municipal Aid:						
Municipal Revolving Fund	691				691	691
Law Enforcement Grants	2,420				2,420	2,500
State Shared Revenues:						
Sales Tax	95,553				95,553	87,171
Gasoline Tax	3,643				3,643	3,627
Alcoholic Beverage Tax	900				900	900
Fire Protection Allocation	9,661				9,661	5,989
Tax Loss 65 and Over	5,997				5,997	5,583
County Fire Protection	0				0	4,000
Fines and Forfeitures	44,336				44,336	27,435
Charges for Services:						
Water			144,005		144,005	142,693
Sewer			30,160		30,160	26,851
Garbage			56,893		56,893	55,784
Interest Income	1,438		1,258		2,696	4,637
Other Receipts	4,723		10,513	8	15,244	18,773
Total Revenue Receipts	322,657	210,441	242,829	8	775,935	725,876
OTHER RECEIPTS						
Loans and Transfers		10,225			10,225	0
Donation for Fire Call	0				0	20
Matured CD transferred to Cash	0				0	45,000
Prior year voided checks	0				0	2,501
Customer Deposits - Refundable			1,840		1,840	2,760
Total Other Receipts	0	10,225	1,840	0	12,065	50,281
Total Receipts	322,657	220,666	244,669	8	788,000	776,157
Cash Balance Beginning Year	55,177	0	91,162	2,791	149,130	174,288
Total Amount to Account For	\$ 377,834	220,666	335,831	2,799	937,130	950,445

See accompanying notes and accountant's compilation report.

TOWN OF PICKENS, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS
 AND DISBURSEMENTS (ALL FUNDS)
 FOR FISCAL YEAR ENDED SEPTEMBER 30, 2004

	Governmental Fund Type	Capital Projects	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	General		Enterprise	Expendable Trust	2,004	2,003
OPERATING DISBURSEMENTS						
General Government	\$ 83,102				83,102	94,109
Public Safety:						
Court	21,524				21,524	
Police	134,649				134,649	157,634
Fire	20,666				20,666	72,873
Streets	16,554				16,554	17,249
Care and Maintenance	471				471	417
Parks	872				872	1,143
Library	17,946				17,946	17,368
Other	0				0	0
Enterprises:						
Water and Sewer:						
Administrative and Billing			40,437		40,437	49,882
Power			16,920		16,920	22,296
Operations and Maintenance			93,781		93,781	106,535
Sanitation			44,134		44,134	40,337
Capital outlay			7,649		7,649	
Interest on Notes			1,341		1,341	1,367
Interest on Bonds			9,653		9,653	10,335
Total Operating Disbursements	<u>295,784</u>	<u>0</u>	<u>213,915</u>		<u>509,699</u>	<u>591,545</u>
OTHER DISBURSEMENTS						
Bonds Retired			11,000		11,000	10,000
Principal on Notes			7,707		7,707	7,680
Transfers out	2,850		10,225		13,075	
Drainage Project - Expenditures	0	220,666	0		220,666	98,852
Home Rehabilitation Project Exp.'s	<u>0</u>		<u>0</u>		<u>0</u>	<u>93,238</u>
Total Other Disbursements	<u>2,850</u>	<u>220,666</u>	<u>28,932</u>		<u>252,448</u>	<u>209,770</u>
Total Disbursements	<u>298,634</u>	<u>220,666</u>	<u>242,847</u>		<u>762,147</u>	<u>801,315</u>
Cash Balance End of Year	<u>79,200</u>	<u>0</u>	<u>92,984</u>	<u>2,799</u>	<u>174,983</u>	<u>149,130</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 377,834</u>	<u>220,666</u>	<u>335,831</u>	<u>2,799</u>	<u>937,130</u>	<u>950,445</u>

See accompanying notes and accountant's compilation report.

TOWN OF PICKENS, MS
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2004

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Jonathan Moore	Mayor	USF&G	\$ 25,000.00
Larry Dennis	Alderman	USF&G	10,000.00
Rayfield Washington	Alderman	USF&G	10,000.00
Billy Anderson	Alderman	USF&G	10,000.00
David Johnson	Alderman	USF&G	10,000.00
Etta Greer	Alderman	USF&G	10,000.00
Betty Wentworth	Municipal Court Clerk	USF&G	25,000.00
John Haynes	Police Chief	USF&G	50,000.00
Karen Jackson	Town Clerk	USF&G	50,000.00
Casandra Bufkin	Deputy Town Clerk	USF&G	10,000.00
	Police Officers	USF&G	25,000.00Each

TOWN OF PICKENS, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2004

1. **SIGNIFICANT ACCOUNTING POLICIES**

The Town's financial statements have been prepared on the cash basis of accounting. Under that basis, revenues and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

2. **LONG-TERM DEBT**

Long-term debt of the Town is as follows:

DEFINITION AND PURPOSE

	Balance Outstanding Sept. 30, 2003	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2004
		Issued	Redeemed	
Sewer Project - general obligation bonds	\$ 154,000	\$	\$ 11,000	\$ 143,000
Note Payable - backhoe	\$ 27,424	\$	\$ 8,040	\$ 19,384